

School Board Meeting:

June 26, 2017

Subject:

RESOLUTION APPROVING SW METRO INTERMEDIATE SCHOOL DISTRICT NO. 288'S LONG-TERM FACILITY MAINTENANCE PROGRAM BUDGET AND AUTHORIZING THE INCLUSION OF A PROPORTIONATE SHARE OF THOSE PROJECTS IN THE DISTRICT'S APPLICATION FOR LONG-TERM FACILITY MAINTENANCE REVENUE

Presenter:

Gary Kawlewski, Director
Finance and Operations
Scott Thielman, Superintendent

SUGGESTED SCHOOL BOARD ACTION:

Action required

DESCRIPTION:

As a part of the new Long-Term Facilities Maintenance revenue legislation, school district cooperatives were also given the authority to utilize the revenue program. The revenue has a flow thru component similar to lease levy authority. Although it is an equalized revenue, the state aid component is already being maximized with our own LTFM application so this request is all levy authority. This is the second year of the SW Metro request. We would, again, levy and collect the taxes on behalf of the coop and then forward the funds onto the coop for their use with their facilities. The additional amount would be a part of our total tax levy that we would approve in the fall of 2017 for taxes payable in 2018. The funds would be forwarded to the coop for use in the 2018-19 school year. A unique provision of the legislation is that all member districts of the coop must pass the resolution annually by June 30 or the coop loses the entire ability to levy LTFM revenue for that year. This is an annual approval similar to the LTFM provisions for our own school system.

The uses of the funds are similar to our authority and the SW Metro application contains the following types of deferred maintenance expenditure requests:

- Mechanical system updates
- Roofs
- Electrical system updates
- Building envelope upgrades (windows and doors)
- Plumbing
- Interior surfaces (carpet, painting, etc.)

The coop is looking to collect \$200,000 from their member districts annually and our portion would be \$9,099, down from \$12,728. The current tax impact projection on a

\$200,000 home would be \$.52 per year. This is a \$.24 per year decrease for a BHM District's residential homestead property.

As a member district in a coop, we have a part-ownership in the facilities that are owned by the coop. As a steward of public facilities, we have an obligation to maintain those facilities in good repair for the health and safety of our students who attend those facilities. The obvious challenge is that although technically revenue neutral to our budget, it is one more competing interest for our tax dollars that we levy to use across our other facilities and for our educational program needs.

We recommend approval of the attached resolution to allow LTFM levy authority for the SW Metro Coop.

ATTACHMENT(S):

- Members Annual Long-Term Facility Maintenance Resolution-2017
- SW Metro LTFM plan and member costs